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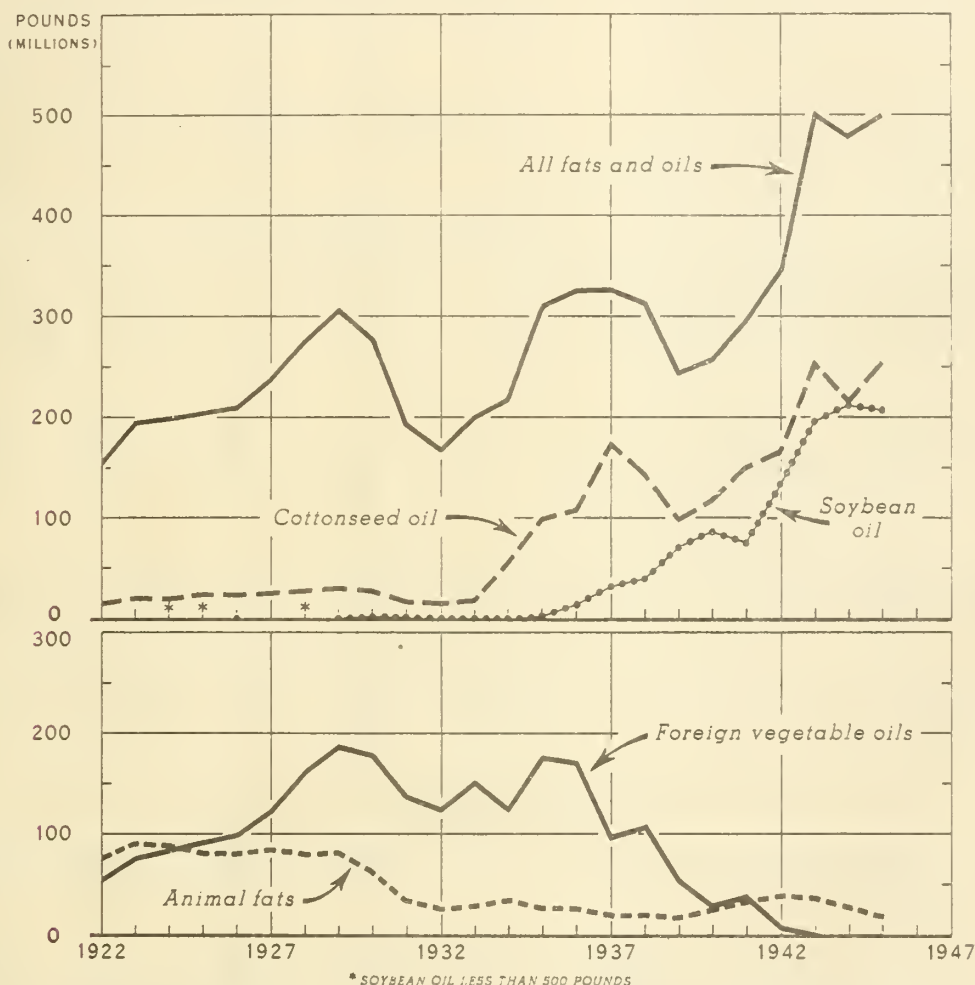
BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE

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USE OF FATS AND OILS IN OLEOMARGARINE, 1922-45



U. S. DEPARTMENT OF AGRICULTURE

NEG. 48644 BUREAU OF AGRICULTURAL ECONOMICS

Cottonseed and soybean oils were the principal fats used in oleomargarine in 1945, as in other recent years. The limited supplies of coconut, babassu, and palm-kernel oils available since early 1942 have been reserved for use in non-food products. In recent years margarine has contained very little oil or fat of foreign origin.

Use of fats and oils in margarine probably will decline in 1946, reflecting reduced production for export and smaller quotas of fats for civilian margarine in the first half of 1946 than a year earlier.

Table 1 .- Wholesale price pe. pound of fats, oils, and glycerin at specified markets, and index numbers of prices of fats and oils, January, February, and December 1945
January and February 1946

Item	PRICES				
	1945			1946	
	January	February	December	January	February
	Cents	Cents	Cents	Cents	Cents
Butter, 92-score, Chicago	41.5	41.5	46.5	46.5	46.5
Butter, 92-score, New York	42.2	42.2	47.2	47.2	47.2
Oleomargarine, dom. veg., Chicago	19.0	19.0	19.0	19.0	19.0
Shortening containing animal fat, 1-pound cartons, Chicago	17.0	17.0	17.0	17.0	17.0
Lard, loose, Chicago	12.8	12.8	12.8	12.8	12.8
Lard, prime steam, tierces, Chicago	13.8	13.8	13.8	13.8	13.8
Lard, refined, 1-pound cartons, Chicago	15.6	15.6	15.6	15.6	15.6
Oleo oil, extra, tierces, Chicago	13.0	13.0	13.0	13.0	13.0
Oleostearine, bbl., N. Y.	10.5	10.5	10.5	10.5	10.5
Tallow, edible, Chicago	9.9	9.9	9.9	9.9	9.9
Corn oil, crude, tanks, f.o.b. mills	12.8	12.8	12.8	12.8	12.8
Corn oil, edible, returnable drums, l.o.l., N. Y.	16.5	16.6	16.6	16.6	16.6
Cottonseed oil crude, tanks, f.o.b. S.E. mills	12.8	12.8	12.8	12.8	12.8
Cottonseed oil p.s.y., tank cars, N. Y.	14.3	14.3	14.3	14.3	14.3
Peanut oil, crude, tanks, f.o.b. mills	13.0	13.0	13.0	13.0	13.0
Peanut oil, refined, edible (white), drums, N. Y.	16.5	16.5	16.5	16.5	16.5
Soybean oil, crude, tank cars, midwestern mills	11.8	11.8	11.8	11.8	11.8
Soybean oil, edible drums, l.o.l., N. Y.	15.2	15.3	15.4	15.4	15.4
Sunflower oil semi-refined, tank cars, f.o.b. N. Y.	14.3	14.3	14.3	14.3	14.3
Babassu oil, tanks, N. Y.	11.1	11.1	11.1	11.1	11.1
Coconut oil, Manila, crude, c.i.f. Pacific Coast 1/	11.0	11.0	11.0	11.0	11.0
Coconut oil, Ceylon, crude, bulk, N. Y. 1/	11.8	11.8	11.8	11.8	11.8
Olive oil, California, edible, drums, N. Y.	60.7	60.7	60.7	60.7	60.7
Olive-oil foots, imported, drums, carlots, New York	---	---	18.0	18.0	19.0
Palm oil, Congo, crude, bulk, N. Y. 1/	11.4	11.4	11.4	11.4	11.4
Rapeseed oil, refined, denatured, bulk, New Orleans	11.6	11.6	11.6	2/13.0	2/13.0
Tallow, No. 1, inedible, Chicago	8.4	8.4	8.4	8.4	8.4
Grease, A White, Chicago	8.8	8.8	8.8	8.8	8.8
Menhaden oil, crude, tanks, f.o.b. Baltimore	8.9	8.9	8.9	8.9	8.9
Sardine oil, crude, tanks, Pacific Coast	8.9	8.9	8.9	8.9	8.9
Whale oil, refined, bleached winter, drums, N. Y.	12.3	12.3	12.3	12.3	12.3
Cottonseed oil foots, raw, (50% T.F.A.) delivered, East	3.6	3.6	3.6	3.6	3.6
Linseed oil, raw, tank cars, Minneapolis	14.3	14.3	14.3	14.3	14.3
Linseed oil, raw, returnable drums, carlots, N. Y.	15.1	15.1	15.1	15.1	15.1
Oiticica oil, drums, f.o.b. N. Y.	20.4	21.9	3/24.4	24.4	24.7
Tung oil, returnable drums, carlots, N. Y.	39.0	39.0	39.0	39.0	39.0
Castor oil, No. 3, bbl., N. Y.	13.8	13.8	13.8	13.8	14.0
Castor oil, No. 1, tanks, N. Y.	13.0	13.0	13.0	13.0	13.3
Castor oil, dehydrated, tanks, N. Y.	17.7	17.8	3/17.5	17.5	18.0
Cod-liver oil, med. U.S.P., bbl., N. Y.	30.6	30.6	35.2	35.2	35.2
Cod oil, Newfoundland, drums, N. Y.	11.5	11.5	11.9	11.9	11.9
Glycerin, Soaplye, basis 80%, tanks, N. Y.	10.0	10.0	11.5	11.5	11.5

INDEX NUMBERS (1935-39 = 100)

Eight domestic fats and oils (1910-14 = 100)	142	142	152	152	152
Eight domestic fats and oils (.72*)	140	140	150	150	150
All fats and oils (27 items)	148	148	156	156	156
Grouped by origin:					
Animal fats	139	139	152	152	152
Marine animal oils	170	170	171	171	171
Vegetable oils, domestic	160	160	160	160	160
Vegetable oils, foreign	177	177	177	176	176
Grouped by use:					
Butter	139	139	157	157	157
Butter, seasonally adjusted	137	134	142	154	151
Lard	135	135	135	135	135
Other food fats	168	168	168	168	168
All food fats	145	145	156	156	156
Soap fats	150	150	150	150	150
Drying oils	175	175	174	174	174
Miscellaneous oils	154	154	155	158	159
All industrial fats and oils	160	160	160	160	160

Prices compiled from Oil, Paint and Drug Reporter, The National Provisioner, The Journal of Commerce (New York), and reports of Production and Marketing Administration and Bureau of Labor Statistics. Excise taxes and duties included where applicable. Index numbers of earlier years beginning 1910 are given in Technical Bulletin No. 737 (1940) and The Fats and Oils Situation beginning December 1940.

1/ Three-cent processing tax added to price as originally quoted. 2/ New York. 3/ Revised. *Multiply by this factor to convert current index number (1935-39 = 100) to old basis (1924-29 = 100).

 T H E F A T S A N D O I L S S I T U A T I O N

Approved by Outlook and Situation Board, March 22, 1946

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SUMMARY

The prospective soybean acreage to be grown alone for all purposes this year on the basis of farmers' plans on March 1 is 11.8 million acres, 12 percent less than in 1945. Flaxseed acreage planted this season may total 3.5 million acres, 14 percent less than a year earlier. The acreage of peanuts to be grown alone for all purposes may be about 3.8 million acres, down 5 percent from last year. No information on cotton acreage will be available until July. Farmers' decisions to reduce soybean, flaxseed, and peanut acreages this year apparently are based mainly on moderately higher prices received for competing crops -- corn, wheat, and cotton -- this season than last. Prices for oilcrops are little changed from those of a year ago. Support prices for 1946-crop soybeans will be the same as those in effect in the current season, and nearly the same for peanuts. Direct payments will be made to growers on sales of 1946-crop flaxseed, with the payments representing the difference between the support price of \$3.60 per bushel, Minneapolis basis, and the market price under ceilings. For 1945-crop flaxseed, growers received returns on the basis of a market price of \$3.10 per bushel, Minneapolis, plus an acreage payment equivalent on the average to over 60 cents per bushel on flaxseed sold.

A larger soybean acreage may be planted this year than indicated on the basis of the March 1 reports, because of the increase in the national soybean goal from 9.6 million to 10.7 million acres to be harvested for beans, announced in late February, and because the 1946 base support price of \$2.04 per bushel, equal to the 1945 support, was announced only a few days before farmers reported their prospective plantings. March 1 plans are subject to change depending in part on weather conditions during the planting season.

Prospects for hog slaughter and for lard and grease production in 1946-47 are fully as significant, in the outlook for production of fats and oils next season, as prospects for oilseeds. Farmers' reports last December pointed to a 4-percent increase in the number of sows to farrow this spring compared with last. This indication is borne out in part by a 4-percent increase in the number of sows and gilts 6 months old and over on farms January 1, 1946 compared with a year earlier and by continuation of the hog-corn price ratio through this winter at a level moderately above the long-time average. An increase in the pig crop this spring compared with last will provide more hogs for slaughter in the fall and winter of 1946-47 than in the past fall and winter.

World supplies of fats and oils will remain short of demand this year and probably next. All recent reports indicate that recovery of exports from the Far East and production of animal fats in Europe will be gradual. Preliminary indications are that Antarctic whale-oil production in the current season is less than one-third of prewar. The same difficulties encountered in the Philippines in arranging shipping, providing trade goods, and reorganizing trade are being met in other parts of Asia freed from Japanese control. In Europe, the grain crisis will prevent any increase in animal-fat output this year. Fat production in Europe in the 1945-46 crop year is estimated to be

materially below the prewar level. On the basis of the experience following World War I, it will be at least 5 years before European output of animal fats will approach the prewar level. Export supplies of fats and oils in 1946 from world surplus-producing areas (North America excluded) are tentatively estimated at about 5.5 billion pounds, over 1 billion pounds more than in 1945 but 4 billion pounds less than prewar.

A moderate increase in civilian supplies of butter in the United States is likely this spring and summer as a result of the seasonal increase in butter production. However, unless butter is stored in sizable quantities during the flush-production season, supplies are likely to become extremely short again next fall and winter. For 1946 as a whole, civilian supplies of all food fats per person -- butter, margarine, lard, other shortening and edible oils -- may be close to the 42 pounds consumed last year, with no significant increase in any of the major items. At this level, supplies per person will be 6 pounds below the 1935-39 average and at least 3 pounds below demand at present prices.

Little improvement in supplies of oils and fats for industrial (non-food) use is in prospect before the latter half of the year. Stocks of inedible fats are unusually small. The stringency in linseed oil supplies was intensified in January and February by a slow movement of flaxseed to terminal markets, despite the existence of substantial supplies that apparently are still in country positions. Imports of flaxseed, though expected to increase this year, were small in January and February. Negotiations for shipment of new-crop Uruguayan and Argentine flaxseed were still under way in early March. Exports of copra from the Philippines from September 1945 through

February 1946 totaled approximately 28,000 long tons; most of this quantity was shipped in January and February and will reach the United States this spring. An increasing rate of imports of copra is likely during the remainder of the year, but under the proposed Combined Food Board allocations imports of other industrial fats such as palm oil and tallow may be less in 1946 than in 1945.

Output of margarine in 1945 totaled 613 million pounds, 25 million pounds more than a year earlier and only 1 million pounds less than in 1943, the peak year to date. Production for Government agencies (largely for lend-lease) and for commercial exports was somewhat reduced from the 1944 level. But production for civilians, at 524 million pounds, was 26 million pounds larger than a year earlier and was the largest on record. Cottonseed and soybean oils constituted 92 percent of the total of all fats and oils used in margarine in 1945, compared with 89 percent in 1944. Somewhat more cottonseed oil than soybean oil was used in both years. Production of margarine may decline in 1946 in view of the prospective reduction in exports, and the lower quotas of oils and fats for use in civilian margarine in the first half compared with the first half of 1945.

OUTLOOK

BACKGROUND. - Fats and oils were in fairly large supply in the spring and summer of 1944, chiefly as a result of a record production of lard and grease in the first half of that year. Prices of lard, grease, and some grades of fish oil were slightly below ceilings for part of the year. In early 1945, however, supplies of fats and oils again became short (table 10). Lard output in 1945 was about 30 percent smaller than in 1944. Production of butter, grease, and linseed oil also declined. Domestic and export demand for fats and oils remained strong.

After the end of hostilities in August 1945, civilian supplies were increased moderately by reductions in the rate of military procurement and by release to civilians of some military stocks of fats, notably butter. However, the gap between supplies of fats and oils and demand at ceiling prices remained wide. A renewed decline in butter production began last fall, following removal of restrictions on production or sales of fluid milk, cream and ice cream. Inventories of oils and fats are unusually small. Prices of all fats and oils are currently at ceilings.

Reductions in Soybean, Flaxseed, and
Peanut Acreages Likely This Year

A reduction this year in planted acreages of soybeans, flaxseed, and peanuts is indicated by farmers' plans reported about March 1. The indicated acreage of soybeans to be grown alone for all purposes is 11,840,000 acres, 12 percent less than last year. A few days before March 1, the goal for soybeans to be harvested as beans was increased from 9,590,000 acres to 10,700,000 acres, only slightly less than the 10,873,000 acres harvested for beans in 1945. The announcement that 1946 support prices for soybeans would be as high as in 1945 was not made until late February. Farmers' plans on March 1 probably did not fully reflect changes that will be made on the basis of these announcements. The prospective acreage to be planted to flaxseed this year is 3,497,000 acres, 14 percent less than last year and 19 percent below the goal of 4,300,000 acres. However, a larger percentage of the total national acreage of flaxseed probably will be in the higher-yielding States this year than last. The prospective acreage of peanuts to be grown alone for all purposes this year is 3,759,000 acres, 5 percent less than last year but 16 percent above the goal of 3,250,000 acres grown alone for all purposes. No official report of cotton acreage will be available until July. The 1946 cotton goal is 20,200,000 acres in cultivation July 1, 11 percent more than last year.

Prices of Competing Crops Advance in
Relation to Prices of Oilcrops

The prospective reductions in acreages of soybeans, flaxseed, and peanuts are mainly a result of price changes in these and competing crops. Prices this winter for oil crops have been about the same as a year ago. But prices of corn, wheat, and cotton have advanced 5 to 15 percent from last season. The desire of farmers to return to rotations with more land in pasture and soil-building crops probably is also a factor in the reduction in oil crop acreages, particularly of soybeans.

Prices to farmers for soybeans produced in 1946 will be supported at the same level as a year earlier -- \$2.04 per bushel for No. 1 or No. 2 green or yellow beans, 14 percent moisture, delivered at country shipping points. In mid-February, 1946, the average price to farmers for soybeans, at \$2.11 per bushel, was about the same as a year earlier. But the average price of corn, at \$1.11 per bushel, was up 5 percent. Price ceilings for corn were raised 3 cents per bushel in early March. Corn prices this spring probably will be 5 to 10 percent higher, in relation to soybean prices, than a year ago.

Returns for 1946-crop flaxseed will be supported on the basis of \$3.60 per bushel, Minneapolis basis. This is comparable with an average price of \$3.10 per bushel at Minneapolis for the 1945 crop plus special payments to farmers of \$5 per acre of flaxseed planted, equivalent on a national basis to about 54 cents per bushel of flaxseed produced and over 60 cents per bushel on flaxseed sold. The average price received by farmers for wheat in mid-February, at \$1.55 per bushel, was 5 percent higher than a year earlier.

Peanut prices to farmers on February 15 averaged about 4 percent higher than last year. Prices received by farmers for cotton, at 23.01 cents per pound, were 15 percent higher than a year earlier. Farmers' plans probably also have been affected to some extent by the support price announced for peanuts in 1946-47. Prices for peanuts grown in 1946 are to be supported at an average equal to 90 percent of the parity price on July 15. Ninety percent of the parity price for peanuts on February 15 this year was 7.69 cents per pound, 6 percent below the support price for the 1945-46 season.

World Export Supplies of Fats and Oils
Still Substantially Below Prewar

Recent estimates of probable net exports of fats and oils in 1946 from world surplus-producing areas (North America excluded) total 5.6 billion pounds, 1.3 billion pounds more than in 1945 but 4.0 billion pounds less than prewar. The largest increases over 1945 are anticipated in Argentine flaxseed, Philippine copra, Antarctic whale oil, and West African peanuts. Exports of peanuts and peanut oil from India are expected to be materially smaller this year than last. Only small quantities of palm oil or copra are likely this year from the Netherlands East Indies or Malaya, two of the leading suppliers in prewar years. There is little evidence that any soybeans will be forthcoming from Manchuria this year.

Table 2.- Net exports of fats and oils (including butter), and oilseeds in terms of oil, from major surplus-producing areas, prewar, 1945, and 1946

Area	Average, 1934-38	Estimated, 1945	Forecast, 1946
	Billion pounds	Billion pounds	Billion pounds
Asia	4.0	.7	1.1
Africa.....	2.1	1.7	1.9
South America	1.6	1.2	1.6
Antarctica.....	1.0	1/	.3
Australia and New Zealand	.6	.5	.5
Other Oceania	.3	.2	.2
Total	9.6	4.3	5.6

1934-38, based mainly on International Yearbook of Agriculture. 1945 and 1946, estimates of Combined Food Board.

1/ Less than 50 million pounds.

European Production of Fats and Oils
Substantially Below Prewar

Quantitative estimates of fats produced for food from domestic sources in 15 European countries in the 1945-46 season, totaling 3.8 billion pounds, indicate a reduction of 34 percent from a prewar level of 5.4 billion pounds. 1/ These estimates do not include the Baltic countries, Poland, Germany, Hungary, Rumania, or Bulgaria. However, fat production has been seriously reduced in those countries also. No estimate of inedible fat production is available. However, with meat output estimated to be down 32 percent from prewar, production of inedible animal fats probably has been reduced at least that much. About two-thirds of the fat produced in Europe normally is from livestock -- consisting mostly of butter, lard, fat cuts of pork, and inedible beef and hog fats. Recovery of livestock production in Europe will not be rapid while grain supplies are short. Even if grain supplies were increased, the rebuilding of herds and flocks could not be accomplished rapidly. European fat production is likely to continue small in 1946-47, and to a lesser extent for some years thereafter.

U. S. Civilian Food Fat Supplies in 1946
About Same As Year Earlier; Some
Increase From this Winter Likely

Present prospects indicate that supplies of food fats for civilians in 1946 may be about the same, per person, as the 42 pounds consumed in 1945. The seasonal increase in butter production beginning in March probably will result in an increase in civilian supplies by late spring which will extend into summer. Last year the seasonal increase in output was taken up largely by military procurement, estimated at 270 million pounds. This year military takings may be only about one-quarter as large as in 1945. Butter production in 1946 as a whole probably will be smaller than the 1945 total of 1,685 million pounds, which in turn was 24 percent below the 1937-41 average. With consumer demand for fluid milk and cream and ice cream unusually strong, utilization of milk in these products is at a new high.

Creamery butter production in January, at 69 million pounds, was 30 percent smaller than a year earlier and was 44 percent below the 1937-41 average for January. From this low level of output, the usual seasonal percentage increase to the June peak would not bring the supply of butter into balance with demand at ceiling prices. With prices remaining at ceilings during the flush production season, commercial stocks probably will not increase materially. In the absence of price inducement to store butter when production is high, supplies of butter probably will be short again next fall and winter.

1/ U. S. Dept. of Agr., Office of Foreign Agricultural Relations, World Food Situation, 1946. Washington, D. C., February 1946.

Lard output currently is larger than a year ago, and production is expected to continue above a year earlier through the spring and summer. The 1945 fall pig crop, from which the bulk of the hog slaughter will come from late April through September, was 12 percent larger than the fall pig crop of 1944. The prospective increase in lard production this year over last, however, is more than offset by a reduction in stocks on January 1, 1946 compared with a year earlier.

The weekly quantity of federally-inspected lard to be set aside for Government procurement (for military use and export) was raised on February 10 from 3.5 to 5 pounds per 100 pounds live weight of hogs slaughtered. At the same time, the number of States exempted from the requirement was reduced from 29 to 11, all of these States being in the Southeast where lard production normally is small. The set-aside regulations were extended on March 10 to approximately 100 slaughtering plants that are not under Federal inspection but are certified by the Department of Agriculture as qualified to ship livestock products in interstate commerce. About 40 percent of the lard and rendered pork fat produced under Federal inspection is now required to be set aside for Government purchase, compared with 20 to 25 percent before the change, and about 40 percent last spring. Military procurement is substantially smaller than a year ago, and a larger proportion of the lard set aside will be purchased for export than was the case last year.

Production of edible vegetable oils from domestic oilseeds in the 12 months beginning October 1945 may be about 300 million pounds less than a year earlier, reflecting the sharp reduction in the 1945 cottonseed crop. Production of cottonseed oil in October 1945-September 1946 probably will be close to 1 billion pounds compared with 1.3 billion pounds a year earlier. Output of soybean oil, on the other hand, may be somewhat larger than in the 1944-45 season, when 1,343 million pounds were produced. The 1945 crop of soybeans was estimated to be about 1 million bushels larger than a year earlier, and exports of soybeans from the 1945 crop are not expected to be much over 1 million bushels compared with 5 million bushels shipped in 1944-45. With commercial supplies of corn tighter this season than last, output of corn oil probably will decline fairly sharply from the 1944-45 level of 217 million pounds. Production of peanut oil is not likely to be much different from the 89 million pounds produced from the 1944 crop. Demand for shelled peanuts and peanut butter remains exceptionally strong this season.

The effect of the reduction in output of edible vegetable oils on total civilian supplies this season is approximately offset by increased stocks of such oils compared with a year ago, and by smaller exports and military requirements for edible vegetable oil products than last season. Factory and warehouse stocks of the four edible vegetable oils on October 1, 1945 totaled 552 million pounds, an increase of 46 million pounds over a year earlier. Exports of margarine in the current crop year are reduced and are being taken largely from Government stocks on hand at the beginning of the season.

Supplies of Soap Fats Improving

Stocks of inedible tallow and greases, after reaching an unusually low level last fall, have been increasing recently. Total factory and warehouse stocks reported on October 1 last year were only 165 million pounds, the lowest in many years; by January 31, 1946 these stocks had increased to 222 million pounds. Total use of tallow and grease was relatively small in October-December 1945.

Beginning in February this year, production of grease apparently rose above the level of a year earlier and probably will remain larger through the spring and summer. Federally-inspected hog slaughter recently has been running above that of a year ago.

Table 3.- Inedible tallow and greases: Apparent production, factory consumption, and factory and warehouse stocks, by quarters, 1943-45, and January 1946

Period	Apparent production	Factory consumption	Stocks, end of period
	Mil. lb.	Mil. lb.	Mil. lb.
<u>1943</u>			
January-March ...	403	472	236
April-June	385	443	191
July-September...	419	406	209
October-December..	442	438	220
Year	1,650	1,759	220
<u>1944</u>			
January-March....	553	482	300
April-June	508	465	355
July-September...	439	481	318
October-December..	443	494	270
Year	1,943	1,923	270
<u>1945</u>			
January-March....	484	519	249
April-June	425	503	181
July-September...	404	419	165
October-December..	438	400	200
Year	1,751	1,840	200
<u>1946</u>			
January	164	142	222

Factory consumption and stocks, from reports of the Bureau of the Census. Apparent production, computed from factory consumption, stocks, imports, and exports. Totals computed from unrounded numbers.

Shipments of copra from the Philippine Islands are increasing. In February, 12,000 long tons were shipped, compared with 8,000 long tons in January and approximately 8,000 long tons in the latter part of 1945. Shipments in prospect from the Philippines to the United States in March-June total 50,000 tons. Of total export supplies in the Philippines this year about two-thirds are destined for the United States, one-third to other countries. There have been no shipments of coconut oil or copra from Ceylon to the United States for several months, and no further shipments from that source are scheduled this year. Shipments of copra to the United States from the South Seas also are being terminated; the last loading occurred in March. Freight takes 30 to 60 days to reach the United States from the Philippines. Total imports of copra into the U. S. from all sources in January amounted to 10,202 long tons.

Linseed Oil in Short Supply This Winter,
Improvement Likely by Summer

Supplies of linseed oil for 1946 as a whole are likely to be substantially larger than in 1945, as a result of the 59-percent increase in domestic production of flaxseed last year and the prospect of another large crop this year. But current supplies of linseed oil are small. Factory and warehouse stocks of flaxseed and linseed oil on February 1, 1946 totaled 255 million pounds, in terms of oil, compared with 344 million pounds a year earlier. Movement of domestic flaxseed to terminal markets has been slow this winter, despite substantial stocks still in country positions. Linseed oil supplies probably will increase materially after these stocks move to market. Imports of flaxseed recently have been small. Negotiations for shipments of substantial quantities of new-crop Argentine and Uruguayan flaxseed to the United States were still in progress in early March.

GOVERNMENT ACTIONS

Program for 1946 Flaxseed Price Support

The difference between the support and ceiling prices of the flaxseed crop harvested in 1946 will be paid to growers through the Field Service Branch of the Production and Marketing Administration on sales receipts or other acceptable evidence, the Department of Agriculture announced March 22.

Flaxseed of the 1945 crop is not eligible for such payments. The support price announced by the Government on November 3, for the 1946 crop is \$3.60 a bushel, Minneapolis basis, for No. 1 flaxseed. The present ceiling price at Minneapolis is \$3.10.

Complete details for making payments through the Field Service Branch, formerly the Agricultural Adjustment Agency, will be announced before harvest time.

Emergency Quotas for Shortening
and Edible Oils Discontinued

It was announced February 28 that the emergency increase in basic quotas of 4 percent allowed since September 1945 for the manufacture of civilian shortening and edible oils would be discontinued April 1. This leaves in effect the basic quotas of 88 percent of average use in 1940 and 1941. No change from the first quarter was made in quotas for civilian margarine, which remain at 95 percent of use in 1944.

Lard Set-Aside Increased

The quantity of lard required to be reserved weekly by federally-inspected packers, for purchase by Government agencies, was increased February 10 from 3.5 percent to 5 percent of the live weight of hogs slaughtered. At the same time, the number of States exempted from this requirement was reduced from 29 to 11. The States still exempt are Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, and West Virginia. The new requirements were issued in Amendment 26 to WFO 75.3.

On March 10 these set-aside regulations were extended to cover non-inspected plants certified under provisions of the Fatman Amendment as qualified to ship meat products in interstate commerce. There are about 100 "certified" plants compared with approximately 400 under Federal inspection.

Subsidy Refund Required on Exports
of Soybean Oil

Beginning February 15, payments to Commodity Credit Corporation on exports of soybean oil are required, at the rate of 3.75 cents per pound on crude oil and 4.00 cents per pound on refined. Details were announced in Current Export Bulletin No. 313, issued by the Department of Commerce February 15. The payments are to reimburse CCC for the subsidy of approximately 30 to 35 cents per bushel of soybeans crushed.

Soybean Oil to Be Exchanged
for Olive Oil

Arrangements for selling 3,000 metric tons (approximately 6.6 million pounds) of United States soybean oil and buying an equal quantity of olive oil from Greece were announced February 11. So far, export licenses have been granted only for 500 tons. Similar arrangements with Lebanon and Syria, involving 400 tons of soybean oil, recently were completed. Even with the subsidy refund payment required on exports of soybean oil, soybean oil for export is much less expensive than olive oil. The ceiling price for imported olive oil in drums at New York is approximately 70 cents per pound. The export price of refined soybean oil, drums, New York including the special payment to CCC, is about 19 cents per pound.

Linseed Oil Inventories Restricted

Amendment 3 to WFO 124, effective February 26, prohibits the purchase of linseed oil by users in any quantity which, together with inventories on hand, would be larger than a 4 months' supply at the current rate of use. Amendment 2, effective from September 1945 to February 1946, permitted purchases that would result in an inventory equivalent to no more than 12 months' supply. With the 1945-46 flaxseed crushing season about two-thirds over by late February, long-term contracts are no longer needed for normal marketing by crushers. The four-month inventory limitation will help to distribute the available supply more evenly.

Ceiling Prices for Castor Oil Increased;
Ceilings Established for Castor Beans

Amendment 56 to MPR 53, effective February 13, increased ceiling prices for castor oil. The new ceiling for No. 1 castor oil (tank cars New York) is 14.30 cents per pound, 1.25 cents higher than before. The new maximum price for No. 3 castor oil is 14.00 cents per pound, also up 1.25 cents. An increase of 1.50 cents per pound, to 19.35 cents, was made in the ceiling for dehydrated castor oil. These increases were allowed because of a rise in the price of castor beans in Brazil, the chief source of supply. Until early 1944, prices of Brazilian castor beans were stabilized by agreement with the Brazilian Government at \$75.00 per long ton, f.o.b. Brazilian port, equivalent at that time to \$102.62 c.i.f. New York. Brazilian export prices varied from a low of \$53.00 per long ton in November 1944 to a high of \$102.00 in January and early February 1946.

Amendment 56 establishes a ceiling price of \$118 per long ton, c.i.f. first port of arrival, for castor beans imported into the United States. Ceiling prices c.i.f. first port of arrival also were established for castor oil, at 11.15 cents per pound for No. 1 oil and 10.85 cents per pound for No. 3 oil. These ceilings are exclusive of the import duty of 3 cents per pound.

Use of Fats and Oils in Synthetic
Detergents Restricted

Synthetic detergents are now to be considered as soap for the purpose of determining manufacturer's quotas of fats and oils. This requirement was established by Amendment 9 to WFO 42-b, effective March 11. Under present quota percentages, a manufacturer's total quarterly use of fats and oils in synthetic detergents and soap for sale to civilians in bars or in packages of less than 25 pounds is restricted to 78 percent of average use in these products in corresponding quarters of 1940 and 1941. The quota percentage is 84 for soap or synthetic detergents sold in bulk packages.

Amendment 9 also permits rosin to be used as an "extender" for soap. An earlier amendment had required the anhydrous fat content of packaged soaps to be reduced by the use of suitable alkaline compounds. Rosin may now be substituted for these materials. Use of rosin in civilian soap was severely limited by Civilian Production Administration Order M-387 from February 23, 1945 to February 6, 1946 when restrictions were removed.

RECENT DEVELOPMENTS

USDA Purchases of Fats and
Oils Increase

Purchases of fats and oils by the U. S. Department of Agriculture increased in January and February. The total for February was 51 million pounds (including soybeans and soap in terms of oil), compared with 44 million pounds in January and 38 million pounds in December 1945. Lard was the principal item purchased.

Table 4.- Contracts for purchase of fats, oils, soap, and purchases of soybeans, by the Department of Agriculture, 1941-46

Item	1941	1942	1943	1944	1945	1946 1/	
						Jan.	Feb.
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Butter	2/	34	120	106	3/ 34	3/ 4	---
Lard and rendered pork fat	326	1,654	882	809	226	40	45
Other animal fats and oils 4/	2	30	61	2	2/	2/	---
Linseed oil	---	70	391	198	1	---	---
Soybeans (oil equivalent) 5/	4	4	9	2	40	2/	2/
Soybean oil	---	17	22	100	7	2/	3
Other Vegetable oils	---	82	49	15	31	2/	---
Shortening	---	46	62	8	18	---	---
Margarine (fat content) 6/	1	77	72	59	59	---	---
Soap (fat content) 6/	---	16	23	13	50	2/	3
Total, fat equivalent	333	1,930	1,691	1,312	466	44	51
	1,000	1,000	1,000	1,000	1,000	1,000	1,000
	bu.	bu.	bu.	bu.	bu.	bu.	bu.
Soybeans 7/	450	400	933	206	4,496	8	2

1/ Preliminary.

2/ Less than 500,000 pounds.

3/ Includes estimated butter content of army spread.

4/ Includes fish and fish-liver oils.

5/ Oil equivalent estimated at 9 pounds per bushel.

6/ Fat content estimated at 80 percent for margarine; 55 percent for soap.

7/ Excluding soybeans resold for crushing.

TRENDS IN OLEOMARGARINE, 1945 and 1946

Production of Margarine Large in 1945;
Record Civilian Use

Output of margarine in 1945 totaled 613 million pounds (actual weight), 4 percent more than a year earlier and almost as much as in 1943, the peak year to date (table 6). Civilian use of margarine in 1945, at 524 million pounds, was the largest on record, and was equivalent to 4.0 pounds per person (actual weight) compared with 3.9 pounds in 1944 and an average of 2.9 pounds in 1935-39. Civilian supplies of other food fats and oils were reduced about 3.0 pounds per person in 1945, with half the reduction occurring in butter. With consumer incomes continuing at a high level, consumption of margarine by civilians in 1945 apparently would have been still greater if manufacture of civilian margarine had not been limited by quotas on use of fats and oils. Margarine manufacturers fully utilized their quotas in 1945 for the first time since quota restrictions were established in late 1942.

Table 5.-- Margarine (actual weight): Permitted production for civilians and civilian consumption, compared with civilian consumption of butter, 1943-46

Year	Margarine		Civilian		Civilian consumption	
	Maximum production for :		consumption		of butter	
	civilians allowed by :					
	quotes (approximate) 1/ :					
	Total	Per	Total	Per	Total	Per
		person	2/	person	3/	person
	Mil. lb.	Lb.	Mil. lb.	Lb.	Mil. lb.	Lb.
1943	530	4.5	502	3.9	1,515	11.7
1944	569	4.4	498	3.9	1,547	12.0
1945	515	4.0	524	4.0	1,362	10.5
1946	4/471	4/3.4				

1/ Estimated by applying quarterly quota percentages to tax-paid withdrawals of margarine in the base period. Does not allow for unused quotas carried over from fourth quarter of preceding year, or for special adjustments in quotas allowed under paragraph (m), WFO 42. From January 1943 to March 1945 the base was the average of corresponding quarters in 1940 and 1941; the quota percentage was 180 in Jan.-June 1943 and 167 in July 1943-Mar. 1945. Since March 1945, the base has been the corresponding quarter of 1944; the quota percentage was 110 in Apr.-June 1945 and has been 95 since then. Each manufacturer's quota of oils and fats for civilian margarine is determined by applying the quota percentage to his use of oils and fats for civilian margarine in the base period.

2/ From table 6

3/ Computed from data on production, imports, exports, stocks, and military procurement.

4/ Quota percentage for first 6 months applied to entire year.

Exports and Military Procurement of Margarine Large in 1945

Exports of margarine in 1945, at 76 million pounds, were slightly smaller than a year earlier but far above the pre-war level of less than 2 million pounds. Most of the 1945 exports were made under lend-lease, with arrangements for shipments to the British armed forces stationed outside the United Kingdom continuing to the end of the year. The principal other exports of margarine in 1945 were 7 million pounds to the Soviet Union under lend-lease in the first half of the year and 2 million pounds to France in December.

Reflecting the scarcity of butter and requirements for feeding prisoners of war, net procurement of margarine by the armed forces in 1945 rose to 14 million pounds, more than in any earlier year. The American Red Cross procured 4 million pounds of margarine in 1945 compared with 13 million pounds in 1944. This margarine was used in food parcels for Americans held as prisoners of war.

Use of Colored Margarine Increasing

Use of colored margarine by civilians increased to about 20 million pounds in 1945, compared with 16 million pounds a year earlier and a prewar average of less than 1 million pounds (Table 7). Sales of colored margarine tend to increase when butter is scarce or is high priced in relation to margarine. In the first 10 months of 1945 retail butter prices in leading cities averaged 50 cents per pound, 26 cents above uncolored margarine; following the increase in ceilings on November 1, butter prices rose to an average of 55 cents per pound, 21 cents over the average for uncolored margarine. The difference between prices of butter and colored margarine would be approximately 10 cents less than these differentials, or about 21 cents per pound at present prices. A Federal excise tax of 10 cents per pound is levied on colored margarine withdrawn for consumption compared with only 1/4 cent per pound on the uncolored product. The prewar differential between butter and colored margarine was about 10 cents per pound. Though use of colored margarine has increased rapidly since 1941, it still amounted in 1945 to only 4 percent of total civilian use of margarine.

Cottonseed and Soybean Oils the Leading Oils in Margarine Manufacture

Cottonseed and soybean oils accounted for 92 percent of the total quantity of fats and oils used in margarine in 1945 (table 8). The use of cottonseed oil in margarine increased moderately in 1945 to 254 million pounds, 51 percent of all oils and fats used in margarine. Use of soybean oil declined slightly to 207 million pounds, 41 percent of all fats used. Production of both cottonseed oil and soybean oil increased materially in 1945. The relative quantities of edible oils used in margarine were determined largely by allocations of edible oils to manufacturers under War Food Order 29.

Except for 6,000 pounds of sunflower oil, foreign oils were not used in margarine in 1945. Use of the principal lauric acid oils (coconut, babassu, and palm kernel) in edible products has been prohibited since mid-1942. Aside from cottonseed and soybean oils, the fats used in margarine in 1945 consisted mostly of peanut oil, oleo oil, corn oil, and neutral lard. Use of leading oils and fats in 1944 and 1945 was as follows, in terms of percentages of total use of all fats:

	<u>1944</u>	<u>1945</u>
Cottonseed oil	45	51
Soybean oil	44	41
Peanut oil	3	2
Oleo oil	2	2
Corn oil	2	2
Neutral lard	2	1
All other	2	1
Total	<u>100</u>	<u>100</u>

Some Reductions Since 1938 in State
Margarine Taxes and Fees

On January 1, 1946 excise taxes on the sale of margarine were levied by 20 States, (table 9). These taxes varied among States from 5 to 15 cents per pound. Seven States taxed sales of margarine regardless of the materials used in manufacture. Twelve States taxed sales of margarine containing foreign oils or fats. Two States taxed sales of margarine not containing a specified minimum percentage of animal fats. In three States, colored margarine was taxed at a higher rate than uncolored, and in 23 States, the sale of colored margarine was prohibited.

License fees to manufacture or sell margarine were required by 16 States at the beginning of 1946. Annual rates for manufacturers varied from one dollar to 1,000 dollars; for wholesalers, from 50 cents to 1,000 dollars; for retailers, from 50 cents to 400 dollars.

Federal taxes on domestic oleomargarine, unchanged since 1931 are as follows: Excise tax on oleomargarine withdrawn for consumption in the United States and territories, payable by manufacturers -- 10 cents per pound on yellow and 0.25 cent per pound on uncolored; annual occupational tax -- manufacturers, \$600; wholesalers, \$480; and retailers, \$48; except that, if only uncolored oleomargarine in bulk, wholesalers pay \$200 and retailers \$6. Imported oleomargarine is subject to an import duty of 14 cents per pound and a stamp tax of 15 cents per pound (payable by the importer).

Since January 1, 1939, State excise taxes on margarine have been removed in Alabama, Nebraska, New Mexico, and Oklahoma. ^{1/} The Nebraska tax, levied on margarine containing less than 50 percent of animal fats or containing imported oils or fats, was declared unconstitutional by the State Supreme Court in May 1945. In the other States, the taxes were terminated by legislative action. Since the beginning of 1939, State license fees were increased in Tennessee but were reduced or eliminated in California, North Carolina, and Oklahoma.

Production and Consumption of Margarine
Likely To Be Reduced in 1946

Production of margarine will be smaller in 1946 than last year. Exports, which were mainly for the British armed forces in 1945, are expected to be sharply reduced this year. Domestic civilian use in 1945 also may be diminished moderately as a result of lower manufacturers' quotas of oils and fats in the first quarter of 1945 than a year earlier. Quotas for January-March 1946 are based on 95 percent of first-quarter 1944 use, compared with civilian production in January-March last year at the rate of 125 percent of 1944. Quotas for the second quarter were recently announced at the 95 percent rate. Last year second quarter quotas were 110 percent. In July-December 1945, quotas were at the 95-percent level.

Demand for margarine at present prices is well in excess of supplies. Supplies of margarine in retail stores have been scarce in most areas of the country. Prices of margarine probably will remain at ceiling levels throughout 1946.

^{1/} State margarine tax and license fees on January 1, 1939 were shown in Table 1, page 6, of State and Federal Legislation and Decisions Relating to Oleomargarine, a mimeographed publication of U.S. Dept. of Agr., Bur. Agr. Economics, Washington, D.C., January 1939.

Table 6.- Oleomargarine: Production as reported by the Department of Agriculture and the Bureau of Internal Revenue, and domestic disappearance, 1909-45

Year	Production, as reported by						Domestic disappearance	
	U. S. Department of Agriculture			Bureau of Internal Revenue			Total	Per capita
	Vegetable and nut oil	Combined animal and vegetable	Total	Uncolored	Colored	Total		
	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.	Mil. lb.	Lb.
1909	---	---	---	109,879	6,082	115,961	113	1.2
1910	---	---	---	141,231	6,187	147,418	144	1.6
1911	---	---	---	99,398	5,661	105,059	102	1.1
1912	---	---	---	135,875	6,349	142,224	135	1.5
1913	---	---	---	145,098	6,950	152,048	150	1.6
1914	---	---	---	135,185	5,981	141,166	139	1.4
1915	---	---	---	134,277	7,892	141,969	139	1.4
1916	---	---	---	179,989	7,574	187,563	183	1.8
1917	21,804	268,899	290,703	279,789	7,455	287,245	284	2.7
1918	89,251	265,140	354,391	344,047	6,560	350,607	347	3.3
1919	142,699	228,619	371,318	349,610	19,198	368,799	354	3.4
1920	195,167	172,319	367,486	355,256	14,228	369,484	364	3.4
1921	101,291	110,576	211,867	207,169	7,913	215,082	215	2.0
1922	75,510	109,565	185,075	178,343	6,409	184,752	184	1.7
1923	96,779	128,799	225,578	217,389	10,191	227,580	226	2.0
1924	100,876	127,900	228,776	220,067	11,762	231,829	230	2.0
1925	112,705	117,906	230,611	221,785	12,167	233,951	232	2.0
1926	121,149	117,445	238,594	229,084	13,476	242,560	240	2.0
1927	153,623	118,979	272,602	262,412	15,087	277,498	276	2.3
1928	196,313	111,621	307,934	300,681	15,981	316,662	314	2.6
1929	221,632	120,598	342,230	338,361	17,887	356,248	355	2.9
1930	215,879	95,876	311,755	312,219	13,441	325,660	323	2.6
1931	165,081	56,872	221,953	224,332	5,596	229,927	228	1.8
1932	156,645	41,071	197,716	199,811	3,421	203,232	200	1.6
1933	199,711	42,520	242,231	242,874	2,598	245,472	242	1.9
1934	208,260	54,640	262,900	261,592	2,816	264,408	262	2.1
1935	330,700	47,977	378,677	378,791	2,840	381,631	378	3.0
1936	341,389	49,509	390,898	390,633	2,660	393,292	390	3.0
1937	350,432	41,068	391,500	395,673	1,709	397,381	397	3.1
1938	341,326	38,767	380,093	383,702	1,532	385,233	385	2.8
1939	266,946	34,884	301,830	299,412	1,445	300,856	301	2.5
1940	279,317	41,355	320,672	317,952	2,451	320,402	318	2.4
1941	313,496	51,713	365,209	362,813	4,774	367,587	1/363	1/2.7
1942	366,865	56,412	423,277	361,262	64,488	425,749	1/363	1/2.7
1943	556,409	53,722	610,131	497,601	116,543	614,144	1/502	1/3.8
1944 ^{2/}	539,237	44,529	583,766	480,617	107,568	588,184	1/498	1/3.9
1945 ^{2/}	580,005	33,978	613,983	514,429	98,852	613,279	1/524	1/4.0

Compiled as follows:

Production -

U. S. Department of Agriculture, Margarine Production. Bureau of Internal Revenue, annual reports of the Commissioner, and Internal Revenue Bulletin.

Production reports to the Bureau of Internal Revenue are required by law and are considered to be more accurate than reports to USDA, which are voluntary; the latter are useful because they are broken down into special classifications.

Disappearance, tax-paid withdrawals for use in the United States and territories, plus tax-free withdrawals for use in Government institutions, Bureau of Internal Revenue.

Beginning 1931, shipments to territories (Bureau of the Census) deducted.

1/ Civilian disappearance. Total disappearance, including military, was as follows, in millions of pounds: 1941 and 1942, 363 (2.7 lb. per capita); 1943, 504 (3.7 lb. per capita); 1944, 500 (3.6 lb. per capita); and 1945, 538 (3.8 lb. per capita).

2/ Preliminary.

Table 7.-Oleomargarine: Production and withdrawals, 1940-45

Item	: 1940	: 1941	: 1942	: 1943	: 1944 1/	: 1945 1/
	: 1,000 lb.	: 1,000 lb.	: 1,000 lb.	: 1,000 lb.	: 1,000 lb.	: 1,000 lb.
Production:						
Colored	: 2,451	4,774	64,488	116,543	107,568	98,852
Uncolored	: 317,952	362,813	361,262	497,601	480,617	514,429
Total	: 320,402	367,587	425,749	614,144	588,184	613,279
Withdrawals:						
Tax-paid for consumption in the United States and territories--						
Colored	: 340	582	977	5,119	16,011	20,296
Uncolored	: 317,396	362,654	362,730	494,886	479,953	503,032
Total	: 317,736	363,236	363,707	500,004	495,964	523,327
Tax-free for U. S. Government--						
Colored	: 897	2,098	60,041	110,278	90,804	66,526
Uncolored	: ---	8	7	161	37	7,863
Total	: 897	2,106	60,148	110,439	90,841	74,389
Tax-free for export --						
Colored	: 1,174	2,037	3,276	572	1,243	11,964
Uncolored	: ---	1	10	---	112	4,908
Total	: 1,174	2,038	3,286	572	1,355	16,872
All withdrawals--						
Colored	: 2,411	4,716	64,393	115,963	108,058	98,786
Uncolored	: 317,396	362,664	362,747	495,047	480,102	515,803
Total	: 319,807	367,380	427,140	611,015	588,161	614,591

Compiled from annual reports of the Commissioner of Internal Revenue, and Revenue Bulletin.

Totals computed from unrounded numbers.

1/ Preliminary.

Table 8.-Cleomargarine: Materials used in manufacture, 1938-45

Item	1938	1939	1940	1941	1942	1943	1944	1945
	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
	lb.	lb.	lb.	lb.	lb.	lb.	lb.	lb.
Oleo oil	13,411	11,866	14,332	18,415	22,495	17,236	11,938	8,841
Oleostearine	3,282	3,067	3,386	3,058	2,919	3,448	3,079	2,510
Lard, neutral	1,464	1,355	5,100	8,300	8,133	10,694	9,630	5,876
Oleo stock	1,532	1,042	1,260	1,919	3,940	2,819	2,092	1,304
Butter	---	---	---	---	3	---	---	---
Other animal fats 1/	---	69	88	131	201	512	220	24
Total, animal	19,689	17,399	24,166	31,823	37,691	34,709	26,959	18,465
Cottonseed oil	142,853	98,656	115,946	149,930	166,444	252,109	215,008	253,997
Soybean oil	39,885	70,822	87,103	75,634	133,346	198,020	211,105	206,642
Peanut oil	3,593	2,445	1,730	2,210	920	4,564	12,295	10,215
Corn oil	566	489	421	627	1,690	5,828	11,480	9,174
Linseed oil	---	---	---	---	---	4,280	413	---
Other vegetable oils 2/	27	12	11	12	259	281	1,231	138
Total, domestic	186,929	172,424	205,211	228,413	302,659	465,082	451,532	480,166
Coconut oil	89,520	38,519	21,780	29,786	3,491	---	---	---
Babassu oil	11,547	13,942	6,150	946	332	---	---	---
Palm-kernel oil ...	4,746	473	---	957	---	---	---	---
Palm oil	---	1	4	4,991	1,375	---	---	---
Sesame oil	---	---	---	---	---	---	---	---
Sunflower oil	---	---	---	---	782	---	1	6
Other 3/	69	---	---	104	34	---	---	---
Total, foreign vegetable	105,882	52,935	27,934	36,784	6,014	---	1	6
Total fats and oils	312,500	242,758	257,311	297,020	346,364	499,791	478,492	498,637
Milk	73,169	58,655	60,961	67,323	74,875	104,389	101,642	105,002
Salt	16,916	12,889	12,727	12,628	13,931	19,732	19,201	19,098
Derivative of glycerin	1,059	749	823	841	823	1,054	922	1,064
Lecithin	92	80	98	261	278	503	556	662
Monostearine	---	---	76	165	187	403	440	478
Soda (benzoate of) ..	149	122	122	161	215	368	376	398
Vitamin concentrate ..	17	14	13	45	88	121	109	120
Color	2	1	2	2	42	83	69	96
Estearine	---	---	---	---	---	---	93	115
Miscellaneous	---	---	3	5	23	18	17	19
Total, other materials	91,404	72,510	74,825	81,431	90,462	126,671	123,425	127,052
Total, all materials	403,904	315,268	332,136	378,451	436,826	626,462	601,917	625,689

Compiled from Internal Revenue records and Internal Revenue Bulletin.

1/ Includes beef fat, oleostearine oil, tallow and lard flakes.

2/ Includes cottonseed stearine, soybean stearine, vegetable stearine, cottonseed flakes, soya flakes, and soya stearine flakes.

3/ Includes palm flakes, palm stearine, and rice oil.

Table 9.- Oleomargarine: State taxes and license fees in effect on January 1, 1946

State	Excise tax, per pound, on--				Use tax, per pound, on oleo-		License fee, annual rate $\frac{3}{4}$, payable by--							
	Colored oleo-mar-garine	Un-colored oleo-mar-garine	Oleo-mar-garine containing foreign material	Oleo-mar-garine containing minimum percent of animal fats	Chased outside the State by--	Manufacturers	Wholesalers	Retailers	Hotels and restaurants	Bakeries	Boarding houses	Consumers who purchase oleomargarine outside the State		
	Cents	Cents	Cents	Cents	Cents	Cents	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
Arkansas	---	---	10	---	---	---	---	---	---	---	---	---	---	---
California	(P)	---	---	---	---	---	100	50	---	$\frac{4}{2}$	---	---	---	---
Colorado	---	---	10	---	---	---	25	25	---	---	---	---	---	---
Connecticut	(P)	---	---	---	---	---	100	50	6	3	3	---	---	---
Florida	---	---	10	---	---	---	---	---	---	---	---	---	---	---
Georgia	---	---	10	---	---	---	---	---	---	---	---	---	---	---
Idaho	10	5	---	---	---	---	---	200	50	---	---	---	---	---
Iowa	(P)	5	---	---	---	---	---	---	---	---	---	---	---	---
Kansas	---	---	10	---	---	---	---	---	---	---	---	---	---	---
Louisiana	---	---	12	---	---	---	---	---	---	---	---	---	---	---
Maine	(P)	---	10	---	---	---	---	---	---	---	---	---	---	---
Massachusetts	(P)	---	---	---	---	---	---	0.50	0.50	---	---	---	---	---
Minnesota	(P)	---	$\frac{5}{10}$	10	---	---	1	1	1	---	---	---	---	---
Mississippi	---	---	---	---	---	---	---	$\frac{6}{100}$	$\frac{6}{10}$	---	---	---	---	---
Montana	(P)	---	---	---	---	---	---	1,000	400	---	---	---	---	---
Nebraska	---	---	---	---	---	---	100	25	1	---	---	---	---	---
North Carolina	---	---	10	---	---	---	---	75	---	---	---	---	---	---
North Dakota	(P)	10	---	---	---	---	10	5	2	---	---	---	---	---
Pennsylvania	(P)	---	---	---	---	---	1,000	500	100	$\frac{7}{50}$	---	10	---	---
South Carolina	---	---	10	---	---	---	---	---	---	---	---	---	---	---
South Dakota	(P)	10	---	---	10	10	---	---	---	---	---	---	---	1
Tennessee	10	---	10	---	---	---	300	75	5	---	---	---	---	---
Texas	---	---	10	---	---	---	---	---	---	---	---	---	---	---
Utah	10	5	---	---	---	---	---	$\frac{8}{5}$	$\frac{8}{5}$	---	---	---	---	---
Vermont	(P)	$\frac{9}{15}$	---	---	---	---	---	25	$\frac{9}{15}$	---	---	---	---	---
Washington	(P)	15	---	---	---	---	---	---	---	---	---	---	---	---
Wisconsin	(P)	15	---	---	6	15	1,000	500	25	25	$\frac{10}{5}$	5	$\frac{11}{1}$	---
Wyoming	(P)	---	---	10	---	---	---	---	---	---	---	---	---	---

Compiled from synopsis of State laws prepared by the National Association of Margarine Manufacturers.

1/ Tax applies to oleomargarine not made from oils and fats (specifically named by the statute) that are largely derived from domestic materials.

2/ The minimum is 66 percent in Minnesota and 21 percent in Wyoming.

(P) Sale of colored oleomargarine prohibited. Sale of colored oleomargarine is also prohibited in Delaware, Illinois, Maryland, Michigan, New Hampshire, New Jersey, New York, Ohio, and Oregon.

3/ Required for each place of business; payable annually except in Montana, where one-fourth of the annual rate is due each quarter.

4/ Public eating places.

5/ Oleomargarine containing soybean oil is also subject to the tax.

6/ Wholesalers' and retailers' license fees are due only if oleomargarine made from foreign materials is sold.

7/ Hotels only.

8/ Applicant for license must first file a bond for not less than \$500.

9/ Retailers pay a license fee graduated from \$2 to \$100 on the basis of volume of sales. The fee probably averages between 0.2 and 0.3 cents per pound of oleomargarine sold.

10/ Including confectioneries.

11/ Including both consumers and other users.

Table 10.- Supply and disposition of fats and oils, average 1937-41, annual 1942-46

Item	Average 1937-41	1942	1943	1944	1945	1946
	Bil. lb.	Bil. lb.	Bil. lb.	Bil. lb.	Bil. lb.	Bil. lb.
<u>Production from domestic materials</u> :						
Butter: Creamery.....	1.780	1.764	1.674	1.487	1.370	
Farm	.431	.366	.341	.329	.315	
Total (actual weight):	2.211	2.130	2.015	1.816	1.685	1.550
Lard and rendered pork fat:						
Inspected	1.224	1.724	2.030	2.367	1.311	
Other.....	.740	.745	.977	.848		
Total	1.964	2.469	3.006	3.215	2.200	2.400
Edible tallow, oleostearine, oleo :						
stock, and oleo oil.....	.213	.277	.259	.198	.202	.200
Inedible tallow and greases.....	1.167	1.742	1.650	1.943	1.751	1.800
Marine animal oils.....	.243	.158	.175	.214	.180	)
Corn oil	.155	.248	.237	.211	.205	)
Cottonseed oil.....	1.472	1.336	1.313	1.132	1.273	)
Peanut oil	.087	.077	.153	2/.103	2/.095	) 3.500
Soybean oil.....	.419	.762	1.234	1.246	1.383	)
Linseed oil 3/.....	.277	.699	.715	.729	.454	)
Other	.021	.035	.040	.034	.046	)
Total, from domestic materials..:	8.230	9.933	10.348	10.545	9.480	9.450
<u>Stocks, January 1 (crude basis)</u> :	2.2	2.3	2.0	2.2	2.2	1.7
<u>Imports of oil and factory production:</u>						
of oil from imported materials 4/.....	2.0	1.0	.9	1.0	.9	
Total supply	12.4	13.3	13.2	14.0	12.6	
<u>Exports, reexports and shipments</u> :						
to U. S. territories 4/.....	.4	.9	1.6	1.6	1.1	
<u>Stocks, December 31 (crude basis)</u> :	2.3	2.0	2.2	2.2	1.7	
<u>Domestic disappearance</u> :	9.7	10.3	10.0	10.2	9.8	
Military procurement, excl. relief:	---	.5	.9	1.1	1.2	
Estimated civilian disappearance:	9.7	9.8	9.1	9.1	8.6	
	Pounds	Pounds	Pounds	Pounds	Pounds	
<u>Civilian disappearance, per capit:</u>						
Food	49	48	46	45	42	
Nonfood.....	25	26	24	25	24	
Total	74	74	70	70	66	

Compiled from reports of the Bureau of the Census, Fish and Wildlife Service, and U. S. Department of Agriculture. Totals computed from unrounded numbers.

1/ Tentative; first official estimate to be made in late April.

2/ Total production minus oil equivalent of imported Argentine peanuts.

3/ Total production minus oil equivalent of net imports of flaxseed.

4/ Imports include shortening and soap in terms of fat content. Exports include margarine, shortening, and soap in terms of fat content, procurement by the Army for European relief and procurement by the American Red Cross. Exports do not include oil equivalent of oilseeds exported.

Table 11.- Imports and exports of fats, oils, oil-bearing materials, and fat-and-oil products,
January-December, average 1937-41, 1944 and 1945

Item	Primary fats					
	Imports for consumption			Exports 1/		
	Average	1944	1945	Average	1944	1945
	1937-41	1944	1945	1937-41	1944	1945
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Animal fats						
Butter	3.8	1.7	3.7	9.5	96.6	3/ 40.6
Lard	4/	.2	.2	272.7	894.4	564.5
Olco oil	---	---	---	3.8	2.9	.2
Stearine, animal, edible	1.0	---	.2	.3	---	4/
Olco stock	---	---	---	2.9	.2	4/
Tallow, edible	2.9	20.5	1.7	.2	1.9	4/
Tallow, inedible	7.7	55.8	32.0	1.5	21.4	6.2
Greases	---	4/	4/	4.5	5.2	6.8
Wool grease	3.0	2/	1.3	---	---	---
Meat's-foot oil	---	.6	.7	.6	.1	.2
Total, animal	18.4	78.9	39.9	296.0	1,022.6	618.6
Marine fats						
Fish-liver oils	46.7	21.7	22.3	---	1.7	3.7
Fish oils	2.6	12.3	13.3	2.7	9.1	16.9
Marine mammal oils	25.4	4.1	8.1	2.9	3.3	13.4
Total, marine	74.7	38.1	37.7	5.6	14.1	34.0
Vegetable fats						
Babassu oil	.4	.9	3.6	---	---	---
Cashew nut shell liquid (oil)	2.7	4.2	.3	---	---	---
Castor oil	.5	15.5	1.7	1.0	2.7	1.3
Coconut oil	362.8	51.8	34.0	33.4	4.9	.1
Corn oil	14.2	4/	4/	.3	.3	.2
Cottonseed oil	72.1	10.4	33.5	11.0	5.6	11.1
Japan wax (tallow)	3.0	---	---	---	---	---
Linseed oil	.1	66.5	79.0	3.3	313.7	31.9
Oilicica oil	16.0	10.8	21.6	---	---	---
Olive oil, edible	48.5	.3	9.0	---	.2	.1
Olive-oil "foots"	20.2	---	---	---	.5	.3
Olive oil, inedible	5.5	.1	.1	---	4/	4/
Palm-kernel oil	28.8	---	---	---	---	---
Palm oil	301.2	71.5	66.1	17.3	13.5	17.7
Peanut oil	16.1	4/	---	2.4	.2	.4
Perilla oil	26.9	---	4/	---	4/	---
Rape oil	10.3	21.8	17.7	---	.4	.7
Sesame oil	9.9	.9	---	---	---	---
Soybean oil	7.0	.1	4/	10.5	65.4	40.5
Sunflower oil	.8	84.9	85.5	5/	5/	44.1
Teaseed oil	10.0	---	---	---	---	---
Tung oil	100.4	1.8	.3	5.0	1.6	1.7
Vegetable tallow	2.7	4/	.3	---	---	---
Other vegetable oils and fats	---	2.2	1.3	13.2	15.4	2.7
Vegetable oils, shipments to U.S. territories	---	---	---	8.5	7.6	7.4
Total, vegetable	1,062.1	343.6	334.4	105.5	431.9	160.1
Total, primary fats	1,155.2	460.6	432.0	407.5	1,468.6	812.7
Oil-bearing materials (in terms of oil)						
Babassu kernels (63 percent)	48.9	9.4	46.3	---	---	---
Castor beans (45 percent)	95.0	150.2	137.0	---	---	---
Copra (63 percent)	385.9	119.5	149.1	27.8	---	---
Cottonseed (15.5 percent)	---	4/	4/	---	.7	1.0
Flaxseed (34 percent)	351.7	208.0	72.3	---	.3	.2
Murumuru kernels (36 percent) 6/	1.2	.5	.4	---	---	---
Palm-nut kernels (45 percent)	14.9	26.7	37.3	---	---	---
Peanuts, shelled (39 percent)	---	3.4	19.6	---	---	---
Perilla seed (37 percent)	.5	---	---	---	---	---
Sesame seed (47 percent)	4.8	3.7	.3	---	---	---
Soybeans (15 percent)	---	---	---	30.9	4.5	62.2
Tucum kernels (43 percent)	2.4	.9	5.9	---	---	---
Total, oil-bearing materials	855.3	522.3	468.1	58.7	5.5	63.4
Manufactured products (fat content)						
Margarine 7/	1.9	---	---	1.3	64.7	63.5
Shortening	1.4	4/	4/	8.0	17.6	20.8
Soap	2.3	.4	1.6	30.8	28.8	64.9
Total, manufactured products	6.1	.4	1.6	40.1	112.3	149.2
Grand total						
All items	2,016.7	983.3	901.7	506.3	1,586.3	1,025.3

Compiled from Monthly Summary of Foreign Commerce of the United States, records of the Bureau of the Census, and reports of the U. S. Department of Agriculture. Totals computed from unrounded numbers.

The following items are not included above: Procurement by the Army in 1944 for European relief, 27 million pounds of lard and 10 million pounds fat content of soap; in 1945, 68 million pounds of lard, 12 million pounds of edible oils, and 6 million pounds fat content of soap. Procurement of margarine, shortening, and soap by the American Red Cross, in terms of fat content, 21 million pounds in 1944 and 11 million pounds in 1945.

1/ Includes shipments to U. S. territories of butter, lard, and manufactured products; reexports of coconut, palm, and tung oils, olive-oil foots, and copra; and reexports in 1944 and 1945 of certain quantities of whale oil, linseed oil, and sunflower oil reported in imports for consumption. Shipments include special programs of USDA in 1944 and 1945. 2/ Preliminary.

3/ Includes actual weight of butter oil and spreads (Army). These were not reported separately prior to 1945. 4/ Less than 50,000 pounds. 5/ Not reported separately. 6/ 1937-41, 35 percent. 7/ Imported margarine goes largely to Puerto Rico and the Virgin Islands.

Table 12.- Fats and oils Factory production from domestic and imported materials, 1944 and 1945, and January 1945 and 1946; and factory and warehouse stocks on specified dates, 1944-46

	Production					Stocks (crude basis)				
Items grouped by major use	January- December 1944	January- December 1945 1/	January 1945	January 1946 1/	December 31, 1944	January 31, 1945	November 30, 1945	December 31, 1945 1/	January 31, 1946 1/	
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	
Food fats and oils										
Butter 2/	1,488.6	1,370.2	99.0	69.0	60.8	38.9	108.5	53.1	32.1	
Lard and rendered pork fat 3/ ..	2,366.9	1,310.9	158.1	152.7	377.9	306.7	70.1	91.5	103.6	
Oleo oil, edible animal stea- rme, and edible tallow	195.3	200.7	16.4	9.1	9.6	12.0	7.6	8.9	7.9	
Total edible animal fats ..	4,050.8	2,881.9	273.5	230.9	448.3	357.6	186.2	153.5	143.6	
Corn oil 4/	210.7	204.7	22.1	12.8	17.9	19.9	15.9	15.9	15.4	
Cottonseed oil 4/	1,132.5	1,273.3	178.7	143.3	440.5	495.4	438.0	500.7	535.0	
Olive oil, edible	5.7	4.4	1.9	.9	1.2	2.0	1.1	1.1	1.2	
Peanut oil 4/	111.4	115.1	12.2	13.7	37.5	36.7	39.6	40.5	41.1	
Sesame oil	5/	---	---	---	2.4	2.2	1.1	.8	.9	
Soybean oil 4/	1,245.9	1,388.3	111.1	143.4	123.3	129.1	195.0	209.6	231.9	
Total edible vegetable oils ..	2,706.1	3,985.7	325.9	314.1	622.8	685.3	690.7	768.6	825.5	
Soap fats and oils										
Tallow, inedible	989.8	948.9	83.4	88.4	150.4	150.7	123.3	132.2	144.7	
Grease, excluding wool grease ..	640.6	512.9	49.0	48.4	119.5	107.7	61.3	68.0	76.9	
Palm oil 4/	---	---	---	---	59.3	59.1	44.6	30.1	31.2	
Fish oil	206.2	174.0	6.7	4.2	165.0	163.5	99.3	86.6	66.6	
Marine mammal oil	.3	---	---	---	45.7	43.9	20.8	19.8	18.2	
Olive oil, inedible and foots ..	5/	5/	5/	---	2.6	2.5	1.2	1.0	.8	
Total slow-lathering oils ..	1,836.9	1,636.8	139.1	139.0	543.3	517.4	350.5	342.7	339.0	
Babassu oil 4/	5/	5/	5/	5/	2.2	2.7	10.9	12.4	12.0	
Coconut oil 4/	127.7	6,149.3	18.7	11.4	101.2	106.0	136.1	127.3	122.3	
Palm-kernel oil 4/	5/	6/ 45.1	5/	---	13.6	7/ 12.4	7/ 28.6	7/ 28.0	7/ 20.4	
Total lauric-acid oils	127.7	194.4	18.7	11.4	117.0	120.1	175.6	167.7	154.7	
Drying oils										
Castor oil, dehydrated 8/	86.0	51.5	6.7	3.3	11.2	10.5	7.2	8.0	8.3	
Linseed oil	936.6	526.0	43.3	56.0	263.9	252.4	171.9	180.1	173.7	
Oilicica oil	5/	---	---	---	6.8	6.7	19.9	9.0	7.6	
Perilla oil	---	---	---	---	.2	.2	.1	.1	.1	
Tung oil	2.6	8.7	1.0	1.1	20.2	20.8	6.5	6.5	6.7	
Total drying oils	1,025.1	586.2	51.0	60.4	302.5	290.6	196.6	203.7	196.4	
Other industrial										
Neat's-foot oil	2.4	2.5	.2	.1	2.5	2.5	1.7	1.4	1.3	
Wool grease	17.0	17.5	1.3	1.7	3.7	3.5	4.1	4.4	4.5	
Cod oil and fish-liver oils ..	7.5	6.0	.6	.5	16.8	17.0	12.1	11.7	10.6	
Castor oil, No. 1 and No. 3 9/	79.6	92.0	4.7	8.9	29.0	19.1	10.0	11.2	14.2	
Rapeseed oil	---	---	---	---	18.1	15.8	17.9	16.9	14.1	
Other vegetable oils	34.3	66.6	4.9	4.7	51.8	46.3	31.5	31.7	20.0	
Total	140.9	184.7	11.8	15.9	121.9	104.2	77.3	77.3	64.7	
Grand Total	9,887.5	8,468.6	819.9	771.7	2,155.6	2,075.0	1,676.9	1,714.4	1,723.9	

Compiled from reports of the Bureau of the Census, except as noted. Data include stocks held by Government in reported positions. Totals computed from unrounded numbers.

1/ Preliminary.

2/ Creamery butter production and cold-storage stocks, U. S. Department of Agriculture.

3/ Federally inspected production, USDA.

4/ Stocks, crude oil plus refined oil converted to crude basis by dividing by the following factors: Babassu, corn, cottonseed, palm, and palm-kernel oils, 0.93; coconut, peanut and soybean oils, 0.94.

5/ Included in "other vegetable oils".

6/ Incomplete, partly included in "other vegetable oils".

7/ Crude only.

8/ Converted to crude basis by dividing by 0.88.

9/ Estimated quantity used in manufacture of dehydrated castor oil excluded from production.

Table 13.-Price received by farmers and prices at terminal markets for specified oil-bearing materials and oilmeals, January, February, and December 1945, January and February 1946.

Oilseeds

Item	Unit	1945			1946	
		Jan.	Feb.	Dec.	Jan.	Feb.
		Dollars	Dollars	Dollars	Dollars	Dollars
Castor beans, Brazilian.....	Long ton	73.75	76.25	91.75	101.00	^{2/} 118.00
f.o.b. Brazilian ports.....						
Cottonseed, United States....	Short ton	52.80	52.70	51.40	50.90	50.30
average.....						
Flaxseed, No. 1, Minneapolis:	Bushel	3.12	3.11	3.10	3.10	3.10
Flaxseed, United States.....						
average.....	Bushel	2.91	2.91	2.89	2.89	2.89
Peanuts, No. 1 shelled.....	100 pounds	14.25	14.25	14.25	14.25	14.25
Spanish, Southeastern.....						
shipping points.....	100 pounds	3.14	8.14	8.32	8.37	8.43
Peanuts, United States.....						
average.....	Bushel	2.19	2.21	2.18	----	----
Soybeans, No. 2 yellow,.....	Bushel	2.06	2.10	2.09	2.09	2.11
Chicago.....						
Soybeans, United States.....						
average.....						
Oilseed Meals ^{2/}						
Copra meal, Los Angeles. ^{3/} ...	Short ton	50.00	50.00	49.50	49.50	49.50
Cottonseed meal, 41 percent:	" "	48.50	48.50	48.75	48.75	48.75
protein, Memphis.....						
Cottonseed meal, 41 percent:	" "	54.45	54.45	54.75	54.75	54.75
protein, Chicago.....						
Linseed meal, 32 percent.....	" "	45.50	45.50	45.50	45.50	45.50
protein, Minneapolis.....						
Linseed meal, 34 percent.....	" "	49.00	49.00	49.00	49.00	49.00
protein, New York.....						
Peanut meal, 45 percent.....	" "	53.00	53.00	53.25	53.25	53.25
protein, f.o.b. South-.....						
eastern mills.....	" "	52.00	52.00	52.00	52.00	52.00
Soybean meal, 41 percent.....						
protein, Chicago.....						

Compiled from Oil, Paint and Drug Reporter, Daily Market Record (Minneapolis), Chicago Journal of Commerce, reports of the Bureau of Agricultural Economics, and records of Production and Marketing Administration.

^{1/} C. i. f. first port of arrival, U. S.

^{2/} Bagged, carlots.

^{3/} Original quotation adjusted to bagged-carlots basis.